

COUPEVILLE SCHOOL DISTRICT No. 204
Island County, Washington
September 1, 1994 Through August 31, 1995

Schedule Of Findings

1. District Officials Should Improve Controls Over Cash Receipting And Associated Student Body (ASB) Fund Raising Activities

During our audit of the Coupeville School District, we reviewed administrative and accounting controls governing the handling of cash receipts for all district funds at the various school sites and at the district's administrative office. We also performed a review of Associated Student Body Fund activities. Our examination revealed the following control weaknesses which are explained in items a. through c.:

Washington Administrative Code (WAC) 392-123-010 states that the Accounting Manual for Public School Districts of the State of Washington shall govern the accounting procedures of each school district.

The accounting manual details the following requirements:

Chapter III, section G-1, page 3, Separation of Duties
Chapter III, section G-3, page 1, Cash Receipts
Chapter III, section G-5, page 1-2, Inventory

a. Separation of Duties

The same person who writes receipts, also makes the deposits and performs the bank reconciliations. One person performs these functions for the district's administrative office, while one person at each school site performs similar duties. By not segregating the duties of cash receipting, depositing, and the reconciliation of bank account, management cannot ensure that all money is receipted and deposited intact.

We recommend that district management assign a second person at each of these locations to balance receipts with deposits and review bank reconciliations.

b. Cash Receipts

One school was using "Rediform" receipts for General Fund revenues received at the school. Serial control over such receipts can be easily compromised since receipts with duplicate numbers can usually be purchased from retail stores. These "Rediform" receipts could not be traced into the bank deposit. In addition, these receipts did not contain a place to indicate whether cash or check had been received. Even when the official receipts were issued, mode of payment was not always marked. An indication of mode of payment is necessary to assure management that all money is being deposited intact.

Also, WAC 392-138-035 states in part:

. . . All associated student body moneys, upon receipt, shall be transmitted intact to the district depository bank and then to the county treasurer

We recommend that all of the schools use the district's official prenumbered receipts. We further recommend that mode of payment always be indicated on the receipts. The receipts should be reconciled to the bank deposit by mode of payment. Any discrepancies should be thoroughly investigated.

When money is brought to the ASB secretary by one of the clubs, the money is left for the secretary to verify. When a discrepancy exists, the secretary will notify the club and receipt in the amount verified.

We recommend that the money be counted in the presence of the student who brings in the money and reconciled back to the receipt. Both people present should sign the ASB receipt.

c. Inventory

Inventory control for ASB fund raisers needs improvement. Periodic inventory counts of merchandise on hand are not being taken. The expected revenue for each activity is not being calculated to determine the retail value of these goods sold so it can be compared to the actual revenue received. Without this reconciliation, district management cannot be sure that all moneys are being collected and deposited.

We recommend that appropriate staff members periodically count inventory on hand. These figures, along with information on goods purchased, should be used to prepare reconciliations of actual versus expected cash receipts.

COUPEVILLE SCHOOL DISTRICT No. 204
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Schedule Of Federal Findings

1. Coupeville School District Officials Should Comply With Handicapped Program Requirements For Timely Individualized Education Programs

Our audit of the handicapped program (CFDA 84.027), operated by Coupeville School District officials, noted that, of the 15 handicapped program student participant files tested, five participants did not have current individualized education programs (IEP).

Title 34 of the CFR, Part 300.341 states in part:

(a) Public Agencies. The SEA (state education authority) shall ensure that each public agency develops and implements an IEP for each of its handicapped children . . .

. . . The individual education program for each child must include . . . (e) Appropriate objective criteria and evaluation procedures and schedules for determining, on at least an annual basis, whether the short term instructional objectives are achieved.

It appears that the special education department was not aware of the importance of completing the IEP within federal and state time requirements.

Students are required to have an annual IEP to ensure program eligibility. Student eligibility for the program is jeopardized when district officials neglect to prepare IEPs within the required time frame. Failure to prepare these programs could result in ineligible individuals receiving benefits under the program, the district being required to repay funds spent on ineligible individuals, and the loss of future Handicap funding. Due to the nature of the program, we were unable to establish the amount of costs associated with the exceptions noted.

We recommend district officials perform and prepare the required IEPs in a timely manner.